
HOUSE BILL No. 1228

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-2.1-3; IC 2-7; IC 3-9; IC 3-14-1-17.

Synopsis: Campaign finance. Provides that except for gifts of food or beverage that total not more than \$50 a year, a legislator or a candidate for a legislative office may not accept a gift from a lobbyist, and a lobbyist may not give a gift to a legislator or to a candidate for a legislative office. Provides that a legislator or a candidate for a legislative office is not required to report gifts from persons who are not lobbyists. Requires a legislator or a candidate for a legislative office to report permitted gifts from lobbyists. Provides that the limitations on political contributions by corporations and labor organizations apply to each candidate of the class of office or committee subject to the limitation rather than as a total to each class. Imposes the same limitations on political action committees. Provides that a person other than a corporation, labor organization, or political action committee may not give more than \$2,000 in any year to each candidate for a state office or more than \$1,000 in any year to each candidate for a legislative office. Provides civil and criminal penalties for violations.

Effective: July 1, 2003.

Day, Young D

January 8, 2003, read first time and referred to Committee on Elections and Apportionment.

C
o
p
y



First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1228

A BILL FOR AN ACT to amend the Indiana Code concerning elections.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 2-2.1-3-2, AS AMENDED BY P.L.205-1999,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 2. (a) Not later than seven (7) calendar days
4 following the first session day in January of each year every member
5 of the general assembly shall file with the principal clerk of the house
6 or secretary of the senate, respectively, a written statement of the
7 member's or candidate's economic interests for the preceding calendar
8 year listing the following:
9 (1) The name of the member's or candidate's employer and the
10 employer of the member's or candidate's spouse and the nature of
11 the employer's business. The house of representatives and senate
12 need not be listed as an employer.
13 (2) The name of any sole proprietorship owned or professional
14 practice operated by the member or candidate or the member's or
15 candidate's spouse and the nature of the business.
16 (3) The name of any partnership of which the member or
17 candidate or the member's or candidate's spouse is a member and



C
o
p
y

the nature of the partnership's business.

(4) The name of any corporation of which the member or candidate or the member's or candidate's spouse is an officer or director and the nature of the corporation's business. Churches need not be listed.

(5) The name of any corporation in which the member or candidate or the member's or candidate's spouse or unemancipated children own stock or stock options having a fair market value in excess of ten thousand dollars (\$10,000). No time or demand deposit in a financial institution or insurance policy need be listed.

(6) The name of any state agency or the supreme court of Indiana which licenses or regulates the following:

(A) The member's or candidate's or the member's or candidate's spouse's profession or occupation.

(B) Any proprietorship, partnership, corporation, or limited liability company listed under subdivision (2), (3), or (4) and the nature of the licensure or regulation.

The requirement to file certain reports with the secretary of state or to register with the department of state revenue as a retail merchant, manufacturer, or wholesaler shall not be considered as licensure or regulation.

(7) The name of any person whom the member or candidate knows to have been a lobbyist in the previous calendar year and knows to have purchased any of the following:

(A) From the member or candidate, the member's or candidate's sole proprietorship, or the member's or candidate's family business, goods or services for which the lobbyist paid in excess of one hundred dollars (\$100).

(B) From the member's or candidate's partner, goods or services for which the lobbyist paid in excess of one thousand dollars (\$1,000).

This subdivision does not apply to purchases made after December 31, 1998, by a lobbyist from a legislator's retail business made in the ordinary course of business at prices that are available to the general public. For purposes of this subdivision, a legislator's business is considered a retail business if the business is a retail merchant as defined in IC 6-2.5-1-8.

(8) ~~The name of any person or entity from whom the member or candidate received the following:~~

~~(A) Any gift of cash from a lobbyist:~~

~~(B) Any single gift other than cash having a fair market value~~

C
o
p
y



in excess of one hundred dollars (\$100)-

However, a contribution made by a lobbyist to a charitable organization (as defined in Section 501(c) of the Internal Revenue Code) in connection with a social or sports event attended by legislators need not be listed by a member of the general assembly unless the contribution is made in the name of the legislator.

(C) Any gifts other than cash having a fair market value in the aggregate in excess of two hundred fifty dollars (\$250). Campaign contributions need not be listed. Gifts from a spouse or close relative need not be listed unless the donor has a substantial economic interest in a legislative matter.

following information with respect to gifts given by a lobbyist permitted under section 13 of this chapter:

(A) The name of the lobbyist.

(B) The total value of gifts given by that lobbyist.

(9) The name of any lobbyist who is:

(A) a member of a partnership or limited liability company;

(B) an officer or a director of a corporation; or

(C) a manager of a limited liability company;

of which the member of or candidate for the general assembly is a partner, an officer, a director, a member, or an employee, and a description of the legislative matters which are the object of the lobbyist's activity.

(10) The name of any person or entity on whose behalf the member or candidate has appeared before, contacted, or transacted business with any state agency or official thereof, the name of the state agency, the nature of the appearance, contact, or transaction, and the cause number, if any. This requirement does not apply when the services are rendered without compensation.

(11) The name of any limited liability company of which the member of the general assembly, the candidate, or the member's or candidate's individual spouse has an interest.

(b) Before any person, who is not a member of the general assembly files the person's declaration of candidacy, declaration of intent to be a write-in candidate, or petition of nomination for office or is selected as a candidate for the office under IC 3-13-1 or IC 3-13-2, the person shall file with the clerk of the house or secretary of the senate, respectively, the same written statement of economic interests for the preceding calendar year that this section requires members of the general assembly to file.

(c) Any member of or candidate for the general assembly may file an amended statement upon discovery of additional information

C
o
p
y



required to be reported.

SECTION 2. IC 2-2.1-3-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 13. (a) This section does not apply to a gift given by a lobbyist that satisfies all the following:**

(1) The gift is food or beverage.

(2) The total value of all gifts described in subdivision (1) given by a lobbyist with respect to the member or candidate is not more than fifty dollars (\$50) during the calendar year.

(b) The following may not accept a gift from a lobbyist:

(1) A member of the general assembly.

(2) A candidate for a legislative office (as defined in IC 3-5-2-28).

(c) A person who knowingly or intentionally accepts a gift in violation of this section commits a Class C misdemeanor.

SECTION 3. IC 2-7-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 3. (a) The activity reports of each lobbyist shall include the following:**

(1) A complete and current statement of the information required to be supplied under IC 2-7-2-3 and IC 2-7-2-4.

(2) Total expenditures on lobbying (prorated, if necessary) broken down to include at least the following categories:

(A) Compensation to others who perform lobbying services.

(B) Reimbursement to others who perform lobbying services.

(C) Receptions.

(D) Entertainment, including meals. However, a function to which the entire general assembly is invited is not lobbying under this article.

(E) Gifts made to an employee of the general assembly or a member of the immediate family of an employee of the general assembly.

(3) A statement of expenditures and gifts that equal one hundred dollars (\$100) or more in one (1) day, or that together total more than five hundred dollars (\$500) during the calendar year, if the expenditures and gifts are made by the registrant or his the registrant's agent to benefit any of the following:

(A) A member of the general assembly.

(B) An officer of the general assembly.

(C) An employee of the general assembly. ~~or~~

(D) A member of the immediate family of anyone included in clause (A), (B), or (C).

(4) Whenever a lobbyist makes an expenditure that is for the

C
O
P
Y



benefit of all of the members of the general assembly on a given occasion, the total amount expended shall be reported, but the lobbyist shall not prorate the expenditure among each member of the general assembly.

(5) A list of the general subject matter of each bill or resolution concerning which a lobbying effort was made within the registration period.

(6) The name of the beneficiary of each expenditure or gift made by the lobbyist or his agent that is required to be reported under subdivision (3).

(7) The name of each member of the general assembly from whom the lobbyist has received an affidavit required under IC 2-2.1-3-3.5.

(b) In the second semiannual report, when total amounts are required to be reported, totals shall be stated both for the period covered by the statement and for the entire reporting year.

(c) An amount reported under this section is not required to include the following:

(1) Overhead costs.

(2) Charges for any of the following:

(A) Postage.

(B) Express mail service.

(C) Stationery.

(D) Facsimile transmissions.

(E) Telephone calls.

(3) Expenditures for the personal services of clerical and other support staff persons who are not lobbyists.

(4) Expenditures for leasing or renting an office.

(5) Expenditures for lodging, meals, and other personal expenses of the lobbyist.

SECTION 4. IC 2-7-3-6, AS AMENDED BY P.L.205-1999, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) A lobbyist shall file a written report with respect to a member of the general assembly whenever either of the following occurs:

(1) The lobbyist has made a purchase described in IC 2-2.1-3-2(a)(7) with respect to that member. This subdivision does not apply to purchases made after December 31, 1998, by a lobbyist from a legislator's retail business made in the ordinary course of business at prices that are available to the general public. For purposes of this subdivision, a legislator's business is considered a retail business if the business is a retail merchant as

C
o
p
y



defined in IC 6-2.5-1-8.

(2) The lobbyist has made a gift described in IC 2-2.1-3-2(a)(8) to that member.

(b) A report required by subsection (a) must state the following:

(1) The name of the lobbyist.

(2) Whether the report covers a purchase described in IC 2-2.1-3-2(a)(7) or a gift described in IC 2-2.1-3-2(a)(8). **If the report covers a gift described in IC 2-2.1-3-2(a)(8), the report must state the value of the gift.**

(c) A lobbyist shall file a copy of a report required by this section with both of the following:

(1) The commission.

(2) The member of the general assembly with respect to whom the report is made.

(d) A lobbyist shall file a report required by subsection (a) not more than thirty (30) days after making the purchase or giving the gift.

SECTION 5. IC 2-7-5-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 7. (a) This section does not apply to a gift given by a lobbyist that satisfies all the following:**

(1) The gift is food or beverage.

(2) The total value of all gifts described in subdivision (1) given by a lobbyist with respect to the member or candidate is not more than fifty dollars (\$50) during the calendar year.

(b) As used in this section, "candidate" has the meaning set forth in IC 3-5-2-6.

(c) As used in this section, "legislative office" has the meaning set forth in IC 3-5-2-28.

(d) A lobbyist may not give a gift to either of the following:

(1) A member of the general assembly.

(2) A candidate for a legislative office.

(e) Notwithstanding IC 2-7-6-2, a person who knowingly or intentionally violates this section commits a Class C misdemeanor.

SECTION 6. IC 2-7-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 2. (a) Any person who knowingly or intentionally violates any provision of IC 2-7-2, IC 2-7-3, or IC 2-7-5 the following commits unlawful lobbying, a Class D felony:**

(1) IC 2-7-2.

(2) IC 2-7-3.

(3) IC 2-7-5, except as provided in IC 2-7-5-7.

(b) In addition to any penalty imposed on the defendant under IC 35-50-2-7 for unlawful lobbying, the court may order the defendant

C
O
P
Y



not to engage in lobbying for a period of up to ten (10) years, IC 2-7-5-6 notwithstanding.

~~(b)~~ (c) Any person who lobbies in contravention of a court order under subsection (a) of this section commits a Class D felony.

SECTION 7. IC 3-9-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) During a year a corporation, or labor organization, or **political action committee** may ~~not~~ make ~~total only the following~~ contributions: ~~in excess of:~~

(1) ~~an aggregate of five~~ **Not more than two** thousand dollars ~~(\$5,000)~~ apportioned in any manner among all candidates **(\$2,000) to each candidate** for a state ~~offices~~ **office** (including a judge of the court of appeals whose retention in office is voted on by a district that does not include all of Indiana).

(2) ~~an aggregate of five~~ **Not more than two** thousand dollars ~~(\$5,000)~~ apportioned in any manner among all **(\$2,000) to the** state ~~committees~~ **committee** of each political ~~parties;~~ **party**.

(3) ~~an aggregate of two~~ **Not more than one** thousand dollars ~~(\$2,000)~~ apportioned in any manner among all candidates **(\$1,000) to each candidate** for the senate of the general assembly.

(4) ~~an aggregate of two~~ **Not more than one** thousand dollars ~~(\$2,000)~~ apportioned in any manner among all candidates **(\$1,000) to each candidate** for the house of representatives of the general assembly.

(5) ~~an aggregate of two~~ **Not more than one** thousand dollars ~~(\$2,000)~~ apportioned in any manner among **(\$1,000) to the** regular party ~~committees~~ **committee** organized by a each legislative caucus of the senate of the general assembly.

(6) ~~an aggregate of two~~ **Not more than one** thousand dollars ~~(\$2,000)~~ apportioned in any manner among **(\$1,000) to the** regular party ~~committees~~ **committee** organized by a each legislative caucus of the house of representatives of the general assembly.

(7) ~~an aggregate of two thousand~~ **Not more than five hundred** dollars ~~(\$2,000)~~ apportioned in any manner among all candidates **(\$500) to each candidate** for a school board ~~offices and office or~~ **a local offices; and office.**

(8) ~~an aggregate of two~~ **Not more than one** thousand dollars ~~(\$2,000)~~ apportioned in any manner among all **(\$1,000) to each** central ~~committees~~ **committee** other than a state ~~committees;~~ **committee.**

(b) If a corporation, labor organization, or political action

C
o
p
y



committee does not make:

- (1) a contribution to a candidate or a committee; or
- (2) the maximum contribution to a candidate or committee; permitted under subsection (a), the unused amount of the contribution permitted under subsection (a) may not be applied to any other candidate or committee.

SECTION 8. IC 3-9-2-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. (a) This section applies only to contributions made by a person other than a corporation, a labor organization, or a political action committee.

(b) This section applies only to candidates for state offices and legislative offices.

(c) This section does not apply to a contribution made by a candidate to the candidate's own committee.

(d) During a year, a person may make only the following contributions:

- (1) Not more than two thousand dollars (\$2,000) to each candidate for a state office.
- (2) Not more than one thousand dollars (\$1,000) to each candidate for a legislative office.

(e) If a person does not make:

- (1) a contribution to a candidate; or
- (2) the maximum contribution to a candidate; permitted under subsection (d), the unused amount of the contribution permitted under subsection (d) may not be applied to any other candidate.

SECTION 9. IC 3-9-4-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. (a) In addition to any other penalty imposed, a person who does any of the following is subject to a civil penalty under this section:

- (1) Fails to file with the election division a report in the manner required under IC 3-9-5.
- (2) Fails to file a statement of organization required under IC 3-9-1.
- (3) Is a committee or a member of a committee who disburses or expends money or other property for any political purpose before the money or other property has passed through the hands of the treasurer of the committee.
- (4) Makes a contribution other than to a committee subject to this article or to a person authorized by law or a committee to receive contributions on the committee's behalf.



C
o
p
y

(5) Is a corporation, ~~or~~ labor organization, **or political action committee** that exceeds any of the limitations on contributions prescribed by IC 3-9-2-4.

(6) Makes a contribution in the name of another person.

(7) Accepts a contribution made by one (1) person in the name of another person.

(8) Is not the treasurer of a committee subject to this article, and pays any expenses of an election or a caucus except as authorized by this article.

(9) Commingles the funds of a committee with the personal funds of an officer, a member, or an associate of the committee.

(10) Wrongfully uses campaign contributions in violation of IC 3-9-3-4.

(11) Violates IC 3-9-2-12.

(12) Makes a contribution that exceeds any of the limitations on contributions prescribed by IC 3-9-2-14.

(b) This subsection applies to a person who is subject to a civil penalty under subsection (a)(1) or (a)(2) for filing a defective report or statement. If the commission determines that a person failed to file the amended report or statement of organization not later than noon five (5) days after being given notice under section 14 of this chapter, the commission may assess a civil penalty. The penalty is ten dollars (\$10) for each day the report is late after the expiration of the five (5) day period, not to exceed one hundred dollars (\$100) plus any investigative costs incurred and documented by the election division. The civil penalty limit under this subsection applies to each report separately.

(c) This subsection applies to a person who is subject to a civil penalty under subsection (a)(1) or (a)(2) for a delinquent report or statement. If the commission determines that a person failed to file the report or statement of organization by the deadline prescribed under this article, the commission shall assess a civil penalty. The penalty is fifty dollars (\$50) for each day the report or statement is late, with the afternoon of the final date for filing the report or statement being calculated as the first day. The civil penalty under this subsection may not exceed one thousand dollars (\$1,000) plus any investigative costs incurred and documented by the election division. The civil penalty limit under this subsection applies to each report separately.

(d) This subsection applies to a person who is subject to a civil penalty under subsection (a)(3), (a)(4), (a)(6), (a)(7), (a)(8), (a)(9), or (a)(10). If the commission determines that a person is subject to a civil penalty under subsection (a), the commission may assess a civil penalty of not more than one thousand dollars (\$1,000), plus any investigative

C
o
p
y



costs incurred and documented by the election division.

(e) This subsection applies to a person who is subject to a civil penalty under subsection (a)(5) **or (a)(12)**. If the commission determines that a person is subject to a civil penalty under subsection (a)(5) **or (a)(12)**, the commission may assess a civil penalty of not more than three (3) times the amount of the contribution in excess of the limit prescribed by IC 3-9-2-4, plus any investigative costs incurred and documented by the election division.

(f) This subsection applies to a person who is subject to a civil penalty under subsection (a)(11). If the commission determines that a candidate or the candidate's committee has violated IC 3-9-2-12, the commission shall assess a civil penalty equal to the greater of the following, plus any investigative costs incurred and documented by the election division:

(1) Two (2) times the amount of any contributions received.

(2) One thousand dollars (\$1,000).

(g) All civil penalties collected under this section shall be deposited with the treasurer of state in the campaign finance enforcement account.

(h) Proceedings of the commission under this section are subject to IC 4-21.5.

SECTION 10. IC 3-9-4-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. (a) In addition to any other penalty imposed, a person who does any of the following is subject to a civil penalty under this section:

(1) Fails to file with a county election board a report in the manner required under IC 3-9-5.

(2) Fails to file a statement of organization required under IC 3-9-1.

(3) Is a committee or a member of a committee who disburses or expends money or other property for any political purpose before the money or other property has passed through the hands of the treasurer of the committee.

(4) Makes a contribution other than to a committee subject to this article or to a person authorized by law or a committee to receive contributions in the committee's behalf.

(5) Is a corporation, ~~or~~ labor organization, **or political action committee** that exceeds any of the limitations on contributions prescribed by IC 3-9-2-4.

(6) Makes a contribution in the name of another person.

(7) Accepts a contribution made by one (1) person in the name of another person.

C
o
p
y



(8) Is not the treasurer of a committee subject to this article, and pays any expenses of an election or a caucus except as authorized by this article.

(9) Commingles the funds of a committee with the personal funds of an officer, a member, or an associate of the committee.

(10) Wrongfully uses campaign contributions in violation of IC 3-9-3-4.

(b) This subsection applies to a person who is subject to a civil penalty under subsection (a)(1) or (a)(2) for filing a defective report or statement. If the county election board determines that a person failed to file the report or a statement of organization not later than noon five (5) days after being given notice under section 14 of this chapter, the county election board may assess a civil penalty. The penalty is ten dollars (\$10) for each day the report is late after the expiration of the five (5) day period, not to exceed one hundred dollars (\$100) plus any investigative costs incurred and documented by the board. The civil penalty limit under this subsection applies to each report separately.

(c) This subsection applies to a person who is subject to a civil penalty under subsection (a)(1) or (a)(2) for a delinquent report or statement. If the county election board determines that a person failed to file the report or statement of organization by the deadline prescribed under this article, the board shall assess a civil penalty. The penalty is fifty dollars (\$50) for each day the report is late, with the afternoon of the final date for filing the report or statement being calculated as the first day. The civil penalty under this subsection may not exceed one thousand dollars (\$1,000) plus any investigative costs incurred and documented by the board. The civil penalty limit under this subsection applies to each report separately.

(d) This subsection applies to a person who is subject to a civil penalty under subsection (a)(3), (a)(4), (a)(6), (a)(7), (a)(8), (a)(9), or (a)(10). If the county election board determines that a person is subject to a civil penalty under subsection (a), the board may assess a civil penalty of not more than one thousand dollars (\$1,000), plus any investigative costs incurred and documented by the board.

(e) This subsection applies to a person who is subject to a civil penalty under subsection (a)(5). If the county election board determines that a person is subject to a civil penalty under subsection (a)(5), the board may assess a civil penalty of not more than three (3) times the amount of the contribution in excess of the limit prescribed by IC 3-9-2-4, plus any investigative costs incurred and documented by the board.

(f) All civil penalties collected under this section shall be deposited

C
o
p
y



1 with the county treasurer to be deposited by the county treasurer in a
2 separate account to be known as the campaign finance enforcement
3 account. The funds in the account are available, with the approval of
4 the county fiscal body, to augment and supplement the funds
5 appropriated for the administration of this article.

6 (g) Money in the campaign finance enforcement account does not
7 revert to the county general fund at the end of a county fiscal year.

8 (h) Proceedings of the county election board under this section are
9 subject to IC 4-21.5.

10 SECTION 11. IC 3-14-1-17 IS ADDED TO THE INDIANA CODE
11 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
12 1, 2003]: **Sec. 17. A person who knowingly or intentionally violates**
13 **IC 3-9-2-14 commits a Class B misdemeanor.**

C
o
p
y

